



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
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ZEV YAROSLAVSKY
Third District

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MICHAEL D. ANTONOVICH
Fifth District

September 5, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 2 TO LEASE NO. 75318
DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
(SECOND DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached Amendment No. 2 to Lease No. 75318 with Wilmont Inc. (Lessor) for an additional 7,366 rentable square feet of office space and 29 parking spaces for the remaining balance of the original ten-year term at 695 South Vermont Avenue, Los Angeles for the Department of Mental Health (DMH) at a maximum initial annual rental cost increase of \$208,905. The rental costs will be funded through State (MHSA) and Federal funding.
2. Authorize the Director of the Internal Services Department (ISD) and DMH at the direction of the Chief Administrative Office (CAO) to acquire telephone, data, and low voltage systems for the facility at a cost not to exceed \$250,000.
3. Consider the attached Negative Declaration, together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the CAO to complete and file a Certificate of Fee Exemption for the project.

4. Approve the project and authorize the CAO, DMH and ISD to implement the project. The lease amendment will be effective upon approval by your Board, but the rent for the additional expansion space will commence upon completion of the Tenant Improvements (TI) by the Lessor and acceptance thereof by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to amend and expand the existing lease to enable DMH to house additional staff at the subject facility. On June 21, 2005, a ten year lease was adopted by your Board for 44,298 rentable square feet of office space at the subject facility. This original space is currently occupied by DMH's Chief Information Office Bureau, Office of Consumer Affairs, Office of Family Advocate, Homeless and Housing Division, Psychiatric Mobile Response Team, Service Area VI Child Administration, and Revenue Management programs.

On November 15, 2005, Amendment No. 1 was adopted by your Board to house DMH's Planning Division in 7,400 rentable square feet at the subject facility. Occupancy of this expansion space commenced June 6, 2006.

The proposed 7,366 rentable square feet of expansion space will house DMH's Training Division, which consists of 31 full time employees. Due to the implementation of the recent Mental Health Services Act (MHSA), DMH is expanding and its headquarters located at 550 South Vermont Avenue does not have adequate space to accommodate this growth. Relocating the 31 positions will allow DMH to augment existing programs with newly funded MHSA positions. Co-locating the Training Division with the Chief Information Office Bureau and the Planning Division at 695 South Vermont Avenue will facilitate the sharing of existing conference and training resources while enhancing coordination and teamwork between DMH staff.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we enhance the quality and productivity of the County workforce (Goal 2). The proposed lease amendment supports this goal by providing a quality and efficient work environment for DMH's employees that is conducive to maximizing employee productivity.

FISCAL IMPACT/FINANCING

The maximum initial annual rental cost increase is estimated to be \$208,905, if all of the reimbursable TI allowances are used.

695 Vermont Ave Los Angeles	Original Lease	Amendment No. 1	Proposed Amendment No. 2	Change
Term	Ten Years 2/1/06 to 1/31/16	6/6/06 to 1/31/16	1/1/07 (projected) to 1/31/16	None
Total Area	44,298 sq. ft.	51,698 sq. ft.	59,064 sq. ft.	+7,366
Annual Base Rent	\$611,312 (\$13.80 per sq. ft.)	\$713,433 (\$13.80 per sq. ft.)	\$815,083 (\$13.80 per sq. ft.)	+\$101,650
Annual Parking Rent	\$127,440 177 parking spaces	\$148,320 206 parking spaces	\$169,200 235 parking spaces	+\$20,880 +29 parking spaces
Annual TI Reimbursement*	\$391,643 (\$8.84/sq.ft.)	\$469,872 (\$9.09/sq.ft.)	\$556,247 (\$9.42/sq.ft.)	+\$79,655
Maximum Annual Rent**	\$1,130,395 (\$25.52/sq.ft.)	\$1,331,625 (\$25.76/sq.ft.)	\$1,540,530 (\$25.97/sq.ft.)	+\$208,905
Base TI Allowance	\$664,470 (\$15.00/sq.ft.)	\$775,470 (\$15.00/sq.ft.)	\$885,960 (\$15.00/sq.ft.)	+\$110,490
Additional TI Allowance	\$2,436,390 (\$55.00/sq.ft.)	\$2,843,390 (\$55.00/sq.ft.)	\$3,248,520 (\$55.00/sq.ft.)	+\$405,130
Discretionary TI Allowance	\$221,490 (\$5.00/sq.ft.)	\$258,490 (\$5.00/sq.ft.)	\$295,320 (\$5.00/sq.ft.)	+\$36,830
Cancellation	County may cancel at or anytime after the 36 th month with nine months notice.	County may cancel at or anytime after February 1, 2009, with nine months notice.	County may cancel at or anytime after February 1, 2009, with nine months notice.	None
Option to Renew	One five-year option at 95% of fair rental value	One five-year option at 95% of fair rental value	One five-year option at 95% of fair rental value	None
Rental Adjustment	Annual CPI, 2% floor, 4% cap,	Annual CPI, 2% floor, 4% cap, adjusted each February 1.	Annual CPI, 2% floor, 4% cap, adjusted each February 1.	None

*The maximum amount of reimbursable TI funds available for this project is \$60 per sq. ft. Based on final costs for recent projects, \$25 of the \$60 is allocated to furniture expenditures; \$35 of the \$60 is allocated to construction expenditures; the amortization rate for furniture is lessor's cost of funds not to exceed ten percent; the amortization rate for construction is seven percent; and both are amortized over the lease term. The projected TI reimbursements are outlined in Attachment C (TI Reimbursement Schedule).

**The maximum annual rent is the aggregate of annual base rent, annual parking rent and annual TI reimbursement.

Sufficient funding for the proposed lease amendment is included in the 2006-07 Rent Expense Budget and will be billed back to DMH. DMH has allocated sufficient funds in its 2006-07 operating budget to cover the projected lease costs. The rental costs associated with the proposed lease amendment will be funded through State (MHSA) and Federal funding, and is included in DMH's 2006-07 adopted budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will increase DMH's occupancy in the subject building from 51,698 to 59,064 rentable square feet of office space and increase the amount of TI funds allocated to the project. The existing rental rate, terms and conditions of the lease shall prevail for the original and expansion space, and they are as follows:

- The term for the original space commenced February 1, 2006.
- The term for the initial expansion space commenced June 6, 2006.
- The term for the proposed expansion space will commence upon completion of the subsequent TI improvements by the landlord, and acceptance thereof by the County, which is expected to occur in January 2007.
- The termination date for the original and expansion spaces shall terminate on January 31, 2016.
- Full service whereby the Landlord is responsible for all operating costs associated with the County's tenancy.
- A cancellation provision allowing the County to cancel anytime after the third year upon nine months prior written notice to the Landlord. Upon cancellation, the County shall reimburse the Lessor for any and all remaining additional TI allowance funds that have not been amortized or paid in a lump sum.
- An option to renew this lease for an additional five-year period, subject to Board approval, by giving Landlord nine months prior written notice. In the event the County exercises the renewal option, the rental rate will be adjusted to 95 percent of the average rent being charged for similar space, but the other existing terms of the lease will prevail.

- An unreimbursable base TI allowance of \$15 per square foot is included in the rent.
- Reimbursable TI allowances of \$60 per square foot, payable via lump sum or monthly amortization payments over the term of the lease. TI reimbursement payments for furniture expenditures shall be amortized at the lessor's cost of funds, not to exceed ten percent. All other TI reimbursement payments shall be amortized at seven percent.
- The monthly base rent is subject to an annual Consumer Price Index adjustment of not less than two percent or more than four percent.

CAO Real Estate staff surveyed the Wilshire/Vermont area to determine the availability of comparable and more economical sites, as specified by DMH in order to maintain close proximity to DMH headquarters. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the surrounding Wilshire/Vermont area and there are none available.

Based upon a market survey of similar properties in the Wilshire/Vermont area, staff has determined that the base rental range for similar space, excluding TI, is between \$13.80 and \$24.00 per square foot per year full service. The proposed annual base rental rate of \$13.80 is at the low-end of the rental range for the area.

The proposed premises are in a high rise building and do not provide the necessary space and amenities needed to operate a child care center on the premises.

NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

The Honorable Board of Supervisors
September 5, 2006
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Lease Amendment will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DMH concurs with this recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, Fourth Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD
CEM:KW:hd

Attachments (3)

c: County Counsel
Department of Mental Health

DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² The space plan for this lease amounts to 238 sq. ft. per person (7,366 sq.ft./31) due to the existing floor layout.		X	
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program?		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

ATTACHMENT B

BOUNDARIES FOR SEARCH

3 MILE RADIUS OF 550 SOUTH VERMONT AVENUE, LOS ANGELES

LACO	FACILITY NAME	ADDRESS	SQUARE FEET GROSS NET	OWNERSHIP	SQUARE FEET AVAILABLE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	FINANCED	NONE
5461	DHS-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	OWNED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	11400	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65872	LEASED	NONE
A532	HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	109137	LEASED	NONE
A425	DCFS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	80756	LEASED	NONE
A369	DCFS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	LEASED	NONE
A408	DCFS-THE U S BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	LEASED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BUILDING	532 S VERMONT AVE, LOS ANGELES 90020	14126	OWNED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	OWNED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	76304	LEASED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	OWNED	NONE
Y193	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	OWNED	NONE
B695	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	OWNED	NONE
C660	HEALTH-IMMUNIZATION PRGM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	14274	LEASED	NONE
A600	DPSS-GAIN PROGRAM REG IV/ MEDI-CAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	LEASED	NONE
B500	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	208799	LEASED	NONE
A360	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	PERMIT	NONE
B922	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	LEASED	NONE
5353	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	LEASED	NONE
6518	DPSS-METRO SPECIAL DISTRICT OFFICE	2707 S GRAND AVE, LOS ANGELES 90007	115242	OWNED	NONE
A388	THE ADAMS & GRAND BUILDING	2615 S GRAND AVE, LOS ANGELES 90007	215439	OWNED	NONE
5266	ALT PUBLIC DEF-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD, LOS ANGELES 90017	6500	LEASED	NONE
5546	METROPOLITAN COURTHOUSE	1945 S HILL ST, LOS ANGELES 90007	303434	FINANCED	NONE
A159	DHS-CENTRAL PUBLIC HEALTH CENTER	241 N FIGUEROA ST, LOS ANGELES 90012	60924	OWNED	NONE
5456	DISTRICT ATTORNEY-FIGUEROA PLAZA	201 N FIGUEROA ST, LOS ANGELES 90012	84607	LEASED	NONE
0181	HEALTH SERVICES ADMINISTRATION BUILDING	313 N FIGUEROA ST, LOS ANGELES 90012	221359	OWNED	NONE
0155	KENNETH HAHN HALL OF ADMINISTRATION	500 W TEMPLE ST, LOS ANGELES 90012-2713	958090	FINANCED	NONE
3155	STANLEY MOSK COURTHOUSE	111 N HILL ST, LOS ANGELES 90012	794459	OWNED	NONE
A429	THE MUSIC CENTER-DE LISA BUILDING/ THE ANNEX	301 N GRAND AVE, LOS ANGELES 90012	27582	OWNED	NONE
3154	CAO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012-3503	29013	LEASED	NONE
Y356	CLARA SHORTTRIDGE FOLTZ CRIMINAL JUSTICE CENTR	210 W TEMPLE ST, LOS ANGELES 90012	1036283	FINANCED	NONE
0144	EL PUEBLO REDEVELOPMENT PROPERTY-GAS CO BLDG	111 REPUBLIC ST (AKA 502 NEW HIGH), LOS ANGELES 90012	16517	OWNED	14524
0142	EL PUEBLO REDEVELOPMENT PROPERTY-OLD BRUNSWIG	510 NEW HIGH ST, LOS ANGELES 90012	35683	OWNED	22753
0143	EL PUEBLO REDEVELOPMENT PROPERTY-PLAZA HOUSE	507 N MAIN ST, LOS ANGELES 90012	15618	OWNED	11154
0495	EL PUEBLO REDEVELOPMENT PROPERTY-VICKREY BLDG	501 N MAIN ST, LOS ANGELES 90012	34350	OWNED	29710
0156	EL PUEBLO-FORMER FAR EAST BANK(NOT HABITABLE)	300 W CESAR E CHAVEZ AVE, LOS ANGELES 90012	2800	OWNED	2380
Y013	HALL OF RECORDS	320 W TEMPLE ST, LOS ANGELES 90012	438095	OWNED	NONE
	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	OWNED	NONE

DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES
TENANT IMPROVEMENT AND FURNITURE REIMBURSEMENT SCHEDULE

	<u>Original Lease</u>			<u>Amendment No. 1</u>			<u>Amendment No. 2</u>		
	<u>Annual Payments</u>			<u>Annual Payments</u>			<u>Annual Payments</u>		
	Furniture Reimbursement	TI Reimbursement		Furniture Reimbursement	TI Reimbursement		Furniture Reimbursement	TI Reimbursement	
Amount	\$1,107,450.00	\$1,550,430.00		\$1,292,450.00	\$1,809,430.00		\$1,476,600.00	\$2,067,240.00	
Term	120	120		115	115		109	109	
Rate	10.00%	7.00%		10.00%	7.00%		10.00%	7.00%	
Mo. Pymt	\$14,635.03	\$18,001.81		\$17,514.51	\$21,641.52		\$20,670.81	\$25,683.09	
	TI Reimbursmt	\$216,021.68		TI Reimbursmt	\$259,698.29		TI Reimbursmt	\$308,197.08	
	Furnit Reimbursmt	\$175,620.40		Furnit Reimbursmt	\$210,174.16		Furnit Reimbursmt	\$248,049.72	
	Base Rent	\$611,312.40		Base Rent	\$713,432.40		Base Rent	\$815,083.20	
	Parking Rent	\$127,440.00		Parking Rent	\$148,320.00		Parking Rent	\$169,200.00	
	Maximum Annual Rent	\$1,130,394.48		Maximum Annual Rent	\$1,331,624.85		Maximum Annual Rent	\$1,540,530.00	

**COUNTY OF LOS ANGELES
CHIEF ADMINISTRATIVE OFFICE**

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 695 South Vermont Avenue, Los Angeles, California, which will be used by the Department of Mental Health for training purposes. The facilities, located in the Second Supervisorial District approximately 2 miles from the Los Angeles Civic Center, include 7,366 square feet of office space. The County shall have use of 29 off-street parking spaces for Mental Health staff and ample parking for visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

ORIGINAL FILED

AUG 14 2000

LOS ANGELES, COUNTY CLERK

INITIAL STUDY

I. Location and Description of Project

These proposed leased premises are located at 695 South Vermont Avenue, Los Angeles, located in the Second Supervisorial District approximately 3 miles southwest of the Los Angeles Civic Center and 2 miles west of the 110 Harbor freeway. (See attached map)

The building to be used is owned by Wilmont, Inc. and is intended for use as office space. Located at the site are 29 exclusive off-street parking spaces for the County's use and ample public parking located in the on-site garage and surrounding Area.

This project consists of leasing this facility for 9 years in which will be located the Department of Mental Health training staff. It is anticipated that an average of 25-31 employees will be occupying the premises with the maximum employee occupancy anticipated to be 31 per day. In addition to the employees, it is anticipated that an average of 10-15 members of the business community per week will be visiting the facility for purposes of receiving training services. No expansion of existing premises will occur for this project and no alterations, except for interior furnishings, will be performed for this project.

II. Compatibility with General Plan

This project site is currently designated as commercial office use in the City of Los Angeles General Plan and zoned LAC4. The proposed project would be consistent with these designations.

III. Environmental Setting

The project site is located in an area of commercial type facilities. The site includes approximately 195,000 square feet of developed property. The site is bordered by Vermont Avenue on the west side, Wilshire Boulevard on the north side, Berendo Street on the east side and Seventh Street on the south side.

IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Los Angeles.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for administrative purposes. The County's use is in conformance with uses approved by the City of Los Angeles.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.

- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Kevin Webb of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on August 14, 2006.

NEGATIVE DECLARATION

Department Name: Mental Health
Project: Mid-Wilshire Training Office

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Department of Mental Health as a training office.

2. a. Location of Project (plot plan attached)

695 South Vermont Avenue
Los Angeles, CA 90010

b. Name of Project Proponent

County of Los Angeles
Chief Administrative Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated August 14, 2006 which constitutes the Initial Study of this project.

4. Initial Study

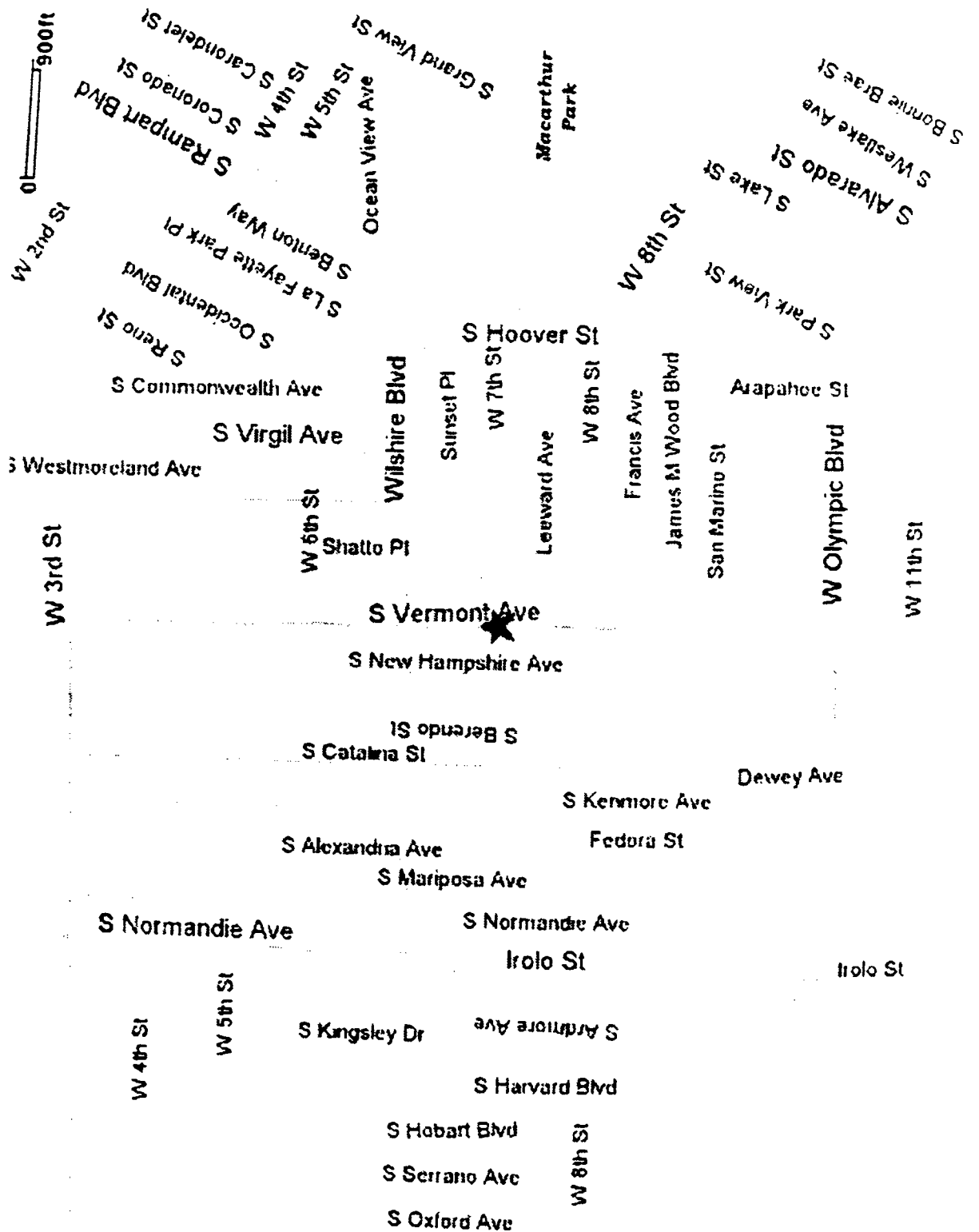
An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date Real Property Agent
August 14, 2006 Kevin Webb

Telephone
(213) 974-4170



DATE POSTED – August 14, 2006

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Administrative Office
2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012
3.

<u>Agent</u> Kevin Webb	<u>Telephone</u> (213) 974-4170
----------------------------	------------------------------------
4. Date Information Form Submitted - August 14, 2006
5. Agency Requiring Information Form - Los Angeles County
Chief Administrative Office
6. Name of Proposal, if Applicable -
7. Address of Facility Involved - 695 South Vermont Avenue
Los Angeles, CA 90010

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

ORIGINAL FILED

14 JUL 1954

LOS ANGELES, COUNTY CLERK

**AMENDMENT NO. 2 TO COUNTY LEASE NO. 75318
DEPARTMENT OF MENTAL HEALTH
695 SOUTH VERMONT AVENUE, LOS ANGELES**

This Amendment No. 2 to Lease No. 75318 ("Amendment No. 2") is made and entered into this _____ day of _____, 2006, by and between WILMONT INC., a California corporation, hereinafter referred to as "Lessor," and the COUNTY OF LOS ANGELES, a body politic and corporate, hereinafter referred to as "Lessee,"

WHEREAS, Lessor and Lessee entered into that certain County Lease No. 75318 dated June 21, 2005 (the "Lease") whereby Lessor leased to Lessee approximately 44,298 rentable square feet of office space commonly known as the entire sixth (6th) floor; the entire seventh (7th) floor; and the entire eighth (8th) floor within the building located at 695 South Vermont Avenue, Los Angeles, California ("Original Premises"), for a term of Ten (10) years ("Initial Term") from February 1, 2006 to January 31, 2016; and

WHEREAS, Lessor and Lessee entered into that certain Amendment No. 1 to County Lease No. 75318 dated November 15, 2005, (collectively called the "Lease"), whereby Lessor leased to Lessee an additional 7,400 rentable square feet of office space on a portion of the 15th Floor in the building located at 695 South Vermont Avenue, Los Angeles, California, for the remaining balance of the Initial Term; and

WHEREAS, Lessor and Lessee desire to amend the Lease for the purpose of expanding the Premises again and making the term for the Original Premises and both expansion Premises coterminous, pursuant to the terms and conditions of the Lease and this Amendment No. 2;

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Lessor and Lessee hereby covenant and agree to amend Lease No. 75318 as follows:

1. Paragraph 1. DESCRIPTION OF PREMISES, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessor, for and in consideration of the performance of the covenants and agreements hereinafter contained to be kept and performed by the Lessee, upon the following terms and conditions, hereby leases to the Lessee, and the Lessee hereby hires and takes of and from the Lessor, those certain premises located at 695 South Vermont Avenue (the "Building") Los Angeles in the County of Los Angeles, State of California, more particularly described as follows:

Premises A: Consisting of the entire sixth (6th) floor;
Premises B: Consisting of the entire seventh (7th) floor;
Premises C: Consisting of the entire eighth (8th) floor;
Premises D: Consisting of a 7,400 square foot portion of the fifteenth (15th) floor;
Premises E: Consisting of the remaining portion of the fifteenth (15th) floor;
Premises F: Consisting of up to Two hundred thirty five (235) parking spaces within the on-site parking garage.

Premises A, B, C, D, E and F shall be collectively known as the "Premises" and are located within the south tower of the Building, which is legally described as follows:

Lots 1-11, Book D, Wilshire Boulevard Heights in Map Book 6, Page 47 of Maps recorded with the Registrar Recorder of the County of Los Angeles.

The Premises shall consist of approximately 59,064 rentable square feet as follows: floors six (6), seven (7), eight (8) and fifteen (15) comprising approximately 14,766 rentable square feet per floor, collectively, as further delineated in the amended Exhibit "A" (Plans and Specifications) attached hereto and incorporated herein; and two hundred thirty five (235) parking spaces within the on-site parking garage as described in Paragraph 20 herein. Lessor represents that 59,064 rentable square feet is the maximum amount of square footage available, and that at no time, except by specific amendment to this Lease, will the amount of square footage as contained herein exceed the amount stated above.

Lessee shall have the exclusive right within ninety (90) days of approval by the Board of Supervisors to field-measure and verify the exact square footage of the Premises. All measurements to be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association (BOMA) International. Should this measurement be less than the square footage stated above, Lessee shall have the exclusive right to adjust said square footage and reduce the rent in Paragraph 3 hereof upon written notice to Lessor. Lessor acknowledges that he has marketed the space at the above indicated amount and in the event of subsequent physical measurements, Lessor agrees there will be no adjustment made to either the square footage or the rent in the event the measured square footage exceeds the amount represented by the Lessor.

2. Paragraph 2. TERM, is hereby amended, and the following language shall be added to the first paragraph of Section 2A, Original Term, as follows:

The term for the portions of the Premises added pursuant to Amendment No. 2 shall commence upon execution of Amendment No. 2 by all parties. In the event the term of this Lease commences on different dates for Premises A, B, C, D, E or F, the termination date for Premises A, B, C, D, E and F shall be coterminous. Therefore, the termination date for Premises A, B, C, D, E and F shall be Ten (10) years after whichever portion of the Premises commenced first, regardless of any differences in the date of commencement. For example, if the term for Premises A or B commences February 1, 2006 then the term for Premises A, B, C, D, E and F shall terminate on January 31, 2016. Lessor and Lessee shall execute a Memorandum of Commencement Date (Exhibit "B") within 5 days of Lease Commencement for Premises A, B, C, D E and F, respectively.

3. Paragraph 3. RENT, is hereby deleted in its entirety, and the following language is inserted in substitution thereof:

The Lessee hereby agrees to pay as rent for Premises A, B, C D and E during the term, the sum of Sixty Seven Thousand Nine Hundred Twenty Three and 60/100 Dollars (\$67,923.60) per month, i.e., One and 15/100 Dollars (\$1.15) per rentable square foot per month subject to annual adjustment pursuant to Paragraph 27 of the Lease as amended and Lessee agrees to pay Sixty Dollars (\$60) per parking space per month for Premises F, all payable in advance by Auditor's General Warrant payable within fifteen (15) days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefore for each such month to be filed with the Auditor of the County of Los Angeles prior to the first (1st) day of each month.

4. Paragraph 20. PARKING SPACES, is hereby amended as follows:

Every reference to "two hundred six (206)" that appears in Paragraph 20 shall be deleted and replaced with the following number inserted in substitution thereof: two hundred thirty five (235).

5. Paragraph 25. TENANT IMPROVEMENTS, is hereby amended as follows:

Every reference to "Seven Hundred Seventy-Five Thousand, Four Hundred Seventy Dollars (\$775,470)" that appears in Paragraphs 25A and 25B shall be deleted and replaced with the following number inserted in substitution thereof: Eight Hundred Eighty-Five Thousand, Nine Hundred Sixty Dollars (\$885,960.00)

Every reference to "Three Million, Six Hundred Eighteen Thousand, Eight Hundred Sixty Dollars (\$3,618,860)" that appears in Paragraph 25B shall be deleted and replaced with the following number inserted in substitution thereof: Four Million, One Hundred Thirty Four Thousand, Four Hundred Eighty Dollars (\$4,134,480.00).

Every reference to "Three Million, Eight Hundred Seventy-seven Thousand, Three Hundred Fifty Dollars (\$3,877,350)" that appears in Paragraph 25C shall be deleted and replaced with the following number inserted in substitution thereof: Four Million, Four Hundred Twenty-Nine Thousand, Eight Hundred Dollars (\$4,429,800.00).

6. Paragraph 27. RENTAL ADJUSTMENT, is hereby amended as follows:

Every reference to "\$59,452.70" that appears in Paragraphs 27B and 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$67,923.60.

Every reference to "\$1,189.05" that appears in Paragraph 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$1,358.47

Every reference to "\$2,378.10" that appears in Paragraph 27C shall be deleted and replaced with the following number inserted in substitution thereof: \$2,716.94

7. All undefined terms when used herein shall have the same respective meanings as are given under the Lease as amended unless expressly provided otherwise in this Amendment No. 2.

8. Each of the signatories for the Lessor personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 2 upon the terms and conditions stated herein and each agrees to indemnify and hold harmless the Lessee from all damages, costs, and expenses, which result from a breach of this representation.

9. In the event of a conflict between the terms and conditions of this Amendment No. 2 and the terms and conditions of Lease No. 75318 and/or any prior amendment thereto, the terms and conditions of this Amendment No. 2 shall prevail. All other terms and conditions of the Lease as amended by Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment No. 2 to be executed on its behalf by the Chair of said Board and attested to by the Clerk thereof the day, month, and year first above written.

LESSOR:

WILMONT, INC., a California Corporation

By 

Name Dr. David Y. Lee

Title President

By _____

Name _____

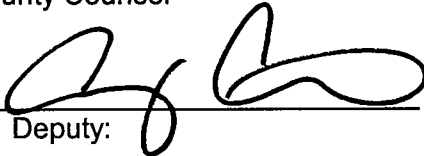
Title _____

LESSEE:

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By 
Deputy:

By _____
Michael D. Antonovich
Mayor, Board of Supervisors

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By _____
Deputy:

EXHIBIT B - MEMORANDUM OF COMMENCEMENT DATE

This Agreement is dated this ____ day of _____, 2006, for reference purposes only, by and between WILMONT, INC., a California Corporation, as Lessor and County of Los Angeles as Lessee.

THE PARTIES HERETO HAVE ENTERED INTO A LEASE dated as of June 21, 2005, Amendment No. 1 dated as of November 15, 2005, and Amendment No. 2 dated as of _____ (the "Lease") for the leasing of the entire 6th, 7th, 8th and 15th Floors located at 695 South Vermont Avenue, Los Angeles ("the Premises"). Lessor and Lessee hereby confirm the following:

That all construction required to be done by Lessor pursuant to the terms of the Lease have been completed subject to any remaining punchlist items;

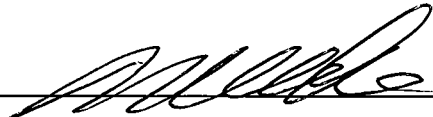
That Lessee has accepted possession of a portion of the 15th floor comprising _____ square feet and now occupies the same; and

That the term of the Lease for this portion of the 15th floor commenced _____.

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Lessor:

WILMONT, INC., a California Corporation

By  _____

By _____

Lessee:

COUNTY OF LOS ANGELES

By _____